

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Paul Krutko

**SUBJECT:** See below

**DATE:** February 3, 2005

Approved

*Ray Winer*

Date

*2/4/05*

**SUBJECT:** San Jose Arena Authority 2003-2004 Annual Report

## **REASON FOR SUPPLEMENTAL**

Additional information provided regarding highlights and budget impacts in 2003-04, and anticipated impacts for FY 2005-06.

## **RECOMMENDATION**

Acceptance of the Arena Authority's Annual Report for Fiscal Year 2003-2004.

The San Jose Arena Authority reports on activities related to event management and administration, facilities oversight, community liaison responsibilities and board and staff administration during 2003-2004.

Key highlights include:

- Communication with various neighborhood and business associations regarding upcoming events and operational issues;
- The identification of 20 new organizations for participation in the Arena Ticket Distribution Program and distribution of over 95% of the tickets to organizations involved in City projects and programs;
- The selection of four new inductees in to the San Jose Sports Hall of Fame and the award of two Sports Hall of Fame High School Scholarships;
- The facilitation of funding from the City and Community Events program in the amount of \$163,766 for ten community events; and in accordance with the agreement with Silicon Valley Sports and Entertainment for HP Pavilion;
- Maintenance of administrative service levels in response to reduced funding.

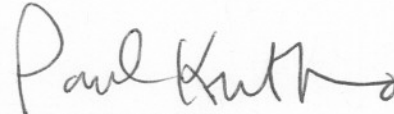
Honorable Mayor and City Council

February 3, 2005

**Subject: San Jose Arena Authority 2003-04 Annual Report**

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The Arena Authority general fund budget for FY 2004-05 is \$223,800 and the group receives an additional \$35,000 for administration of the Logitech Ice at San Jose facility. The Authority made reductions last year including lowering staffing from 3 FTE to 1.5 FTE. The FY 2003-04 general fund budget reduction was \$31,100. Additional reductions are being contemplated for the FY 2005-06 City budget.

A handwritten signature in dark ink, reading "Paul Krutko". The signature is fluid and cursive, with a long horizontal stroke at the end.

PAUL KRUTKO

Director, Office of Economic Development

Item:

5,3



San Jose Arena Authority

## MEMORANDUM

**To:** Honorable Mayor and Members of the City Council  
**From:** Chris Morrissey, Executive Director *cm*  
**Subject:** San Jose Arena Authority 2003-2004 Annual Report to City Council  
**Date:** January 10, 2005

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On behalf of the San Jose Arena Authority Board of Directors and staff, I am pleased to submit to the Mayor and members of the City Council a copy of the Arena Authority's Annual Report for Fiscal Year 2003-2004.

### BACKGROUND

The San Jose Arena Authority was created in 1990 by resolution of the City Council and operates under an agreement with the City of San Jose. Under this agreement, the Arena Authority is directed to perform a liaison role on behalf of the City in two major areas with respect to HP Pavilion at San Jose: (1) Oversee the manager's operation of HP Pavilion at San Jose through interpretation and application of the terms and provisions of the Amended and Restated Arena Management Agreement Between the City of San Jose and San Jose Arena Management; and (2) Develop and monitor relations with the community with respect to impacts from the day-to-day operations of HP Pavilion at San Jose.

In June 1999, the City of San Jose and San Jose Arena Management signed a Lease and Management Agreement regarding the Ice Centre of San Jose (Logitech Ice at San Jose). Under this agreement, the Authority has been designated by the City to perform an annual evaluation of the manager's performance of Logitech Ice at San Jose in regard to facility management and community development. In 2004, the Lease and Management Agreement for Logitech Ice at San Jose was amended and restated and included additional management oversight responsibilities for the Authority.

## ANALYSIS

Under the direction of the Arena Authority's Board of Directors, the Arena Authority staff have established and maintain a number of important HP Pavilion at San Jose-related programs and committees to protect and further develop the interests of the City with regard to impacts from HP Pavilion at San Jose operations. In doing so, Authority staff have had significant input into HP Pavilion at San Jose's traffic and parking operations; event coordination; capital improvement program implementation; vicinity construction program management; and neighborhood integrity issue management.

In addition, the programs and committees the Arena Authority has established or participated in include an HP Pavilion at San Jose and Logitech Ice at San Jose Community Relations Committee; a Board Development Committee; an Arena Events Operations Committee; an Audit/Finance Committee, a Personnel Development Committee; an HP Pavilion at San Jose and Logitech Ice at San Jose Facilities Committee; a Sports Hall of Fame Committee; a Long Range Planning Committee; a Guadalupe River Park Flood Control Project/Vasona Corridor Light Rail Transit Project Construction Committee; and a Downtown Events Committee. Authority staff have also contributed to City-established committees and commissions including the Disability Advisory Commission and the Planning Commission.

## COORDINATION

The Arena Authority has coordinated its efforts during the 2003-2004 fiscal year with many City, County, and regional departments and agencies to ensure successful coordination and implementation of HP Pavilion at San Jose and Logitech Ice at San Jose-related programs, projects and committee efforts. These organizations include: the Mayor's office; City Council; City Manager's office; City Attorney's office; HP Pavilion Management; neighborhood associations; Department of Transportation; San Jose Downtown Association; Alameda Business Association; San Jose Silicon Valley Chamber of Commerce; Planning Department; Office of Equality Assurance; Police and Fire Departments; Office of Economic Development; City Auditor; the Redevelopment Agency; Office of Conventions, Arts and Entertainment; the Convention and Visitors Bureau; Sports Authority; Department of Public Works; Code Enforcement; Valley Transportation Authority; Santa Clara Valley Water District; and CalTrain.

## COST IMPLICATIONS

The San Jose Arena Authority has contractual responsibilities through an agreement with the City of San Jose which provides for annual funding for the administration of the Authority. The City-funded operating budget for the Arena Authority during Fiscal Year 2003-2004 was \$254,900.00. The Arena Authority's Annual Financial Statements are available upon request.